

House File 2635 - Introduced

HOUSE FILE _____
BY LUKAN

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing a sesquicentennial farm property tax credit,
2 providing a penalty, and including an appropriation.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 6040HH 82
5 sc/nh/8

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1 1 Section 1. NEW SECTION. 425B.1 SESQUICENTENNIAL FARM TAX
1 2 CREDIT FUND.
1 3 There is created as a permanent fund in the office of the
1 4 treasurer of state a fund to be known as the sesquicentennial
1 5 farm tax credit fund. For the purposes of establishing and
1 6 maintaining this fund, for each fiscal year there is
1 7 appropriated from the general fund of the state and deposited
1 8 into the sesquicentennial farm tax credit fund an amount
1 9 sufficient to implement this chapter.
1 10 Sec. 2. NEW SECTION. 425B.2 DEFINITIONS.
1 11 For purposes of this chapter, "sesquicentennial farm" means
1 12 a farm in which at least forty acres of such farm have been
1 13 held in continuous ownership by the same family for one
1 14 hundred fifty years or more and which farm is in good faith
1 15 used for agricultural or horticultural purposes.
1 16 Sec. 3. NEW SECTION. 425B.3 WHERE CREDIT GIVEN.
1 17 1. The sesquicentennial farm tax credit fund shall be
1 18 apportioned each year in the manner provided in this chapter
1 19 so as to give a credit against the tax on each eligible farm.
1 20 The amount of the credit on each eligible farm shall be one
1 21 hundred fifty dollars. However, in the case of a deficiency
1 22 in the sesquicentennial farm tax credit fund to pay the
1 23 credits in full, the credits shall be reduced by an equal
1 24 amount without regard to the number of acres in each farm for
1 25 which a credit is claimed.
1 26 2. The county board of supervisors shall determine the
1 27 eligibility of each tract for which an application is
1 28 received.
1 29 Sec. 4. NEW SECTION. 425B.4 CLAIM FOR CREDIT.
1 30 1. To apply for the credit, the person shall deliver to
1 31 the county assessor a verified statement and designation of
1 32 the sesquicentennial farm for which the credit is claimed.
1 33 The assessor shall return the statement and designation on or
1 34 before November 15 of each year to the county board of
1 35 supervisors with a recommendation for allowance or
2 1 disallowance. A claim for credit filed after November 1 of
2 2 the year shall be considered as a claim filed for the
2 3 following year.
2 4 2. The county board of supervisors in each county shall
2 5 examine all claims delivered to county assessors, and shall
2 6 either allow or disallow the claims, and if disallowed shall
2 7 send notice of disallowance by regular mail to the claimant at
2 8 the claimant's last known address. The claimant may appeal
2 9 the decision of the board to the district court in which the
2 10 farm for which the credit is claimed is situated by giving
2 11 written notice of the appeal to the county board of
2 12 supervisors within twenty days from the date of the mailing of
2 13 the notice of the decision of the board of supervisors.
2 14 3. Upon the filing and allowance of the claim, the claim
2 15 shall be allowed on that farm for successive years without
2 16 further filing as long as the property is legally or equitably
2 17 owned by the family that has been in continuous ownership of
2 18 the farm for one hundred fifty years or more, or a member of
2 19 such family.
2 20 4. The assessor shall retain a permanent file of current

2 21 sesquicentennial farm tax credit claims filed in the
2 22 assessor's office.
2 23 5. The county recorder shall give notice to the assessor
2 24 of each transfer of title of agricultural land filed in the
2 25 recorder's office. The notice shall describe the tract of
2 26 agricultural land transferred, the name of the person
2 27 transferring the title to the tract, and the name of the
2 28 person to whom title to the tract has been transferred.

2 29 6. The county auditor, on or before April 1, shall certify
2 30 the total amount of credit to the department of revenue.

2 31 Sec. 5. NEW SECTION. 425B.5 WARRANTS AUTHORIZED BY
2 32 DIRECTOR == PRORATION.

2 33 After receiving from the county auditors the certifications
2 34 provided for in section 425B.4, and during the following
2 35 fiscal year, the director of revenue shall authorize the
3 1 department of administrative services to draw warrants on the
3 2 sesquicentennial farm tax credit fund created in section
3 3 425B.1, payable to the county treasurers in the amount
3 4 certified by the county auditors of the respective counties
3 5 and mail the warrants to the county auditors on June 1 of each
3 6 year taking into consideration the relative budget and cash
3 7 position of the state resources. However, if the
3 8 sesquicentennial farm tax credit fund is insufficient to pay
3 9 in full the total of the amounts certified to the director of
3 10 revenue, the director shall prorate the fund to the county
3 11 treasurers and shall notify the county auditors of the pro
3 12 rata percentage on or before June 1.

3 13 Sec. 6. NEW SECTION. 425B.6 APPORTIONMENT BY AUDITOR.

3 14 Upon receiving the pro rata percentage from the director of
3 15 revenue, the county auditor shall determine the amount to be
3 16 credited to each sesquicentennial farm, and shall enter upon
3 17 tax lists as a credit against the tax levied on each
3 18 sesquicentennial farm on which there has been made an
3 19 allowance of credit before delivering the tax lists to the
3 20 county treasurer. Upon receipt of the warrant by the county
3 21 auditor, the auditor shall deliver the warrant to the county
3 22 treasurer for apportionment. The county treasurer shall show
3 23 on each tax receipt the amount of tax credit for each
3 24 sesquicentennial farm.

3 25 Sec. 7. NEW SECTION. 425B.7 FALSE CLAIM == PENALTY.

3 26 A person making a false claim or affidavit with fraudulent
3 27 intent to obtain the credit under section 425B.3 is guilty of
3 28 a fraudulent practice and the claim shall be disallowed in
3 29 full. If the credit has been paid, the amount of the credit
3 30 plus a penalty equal to twenty-five percent of the amount of
3 31 credit plus interest, at the rate in effect under section
3 32 421.7, from the time of payment shall be collected by the
3 33 county treasurer in the same manner as other property taxes,
3 34 penalty, and interest are collected and when collected shall
3 35 be paid to the director of revenue.

4 1 EXPLANATION

4 2 This bill provides a property tax credit for
4 3 sesquicentennial farms. The amount of the credit is \$150.
4 4 The bill creates a sesquicentennial farm tax credit fund and
4 5 provides for a standing unlimited appropriation from the
4 6 general fund of the state to the tax credit fund in an amount
4 7 sufficient to pay the sesquicentennial farm tax credits.

4 8 The bill defines sesquicentennial farm as a farm in which
4 9 at least 40 acres of such farm have been held in continuous
4 10 ownership by the same family for 150 years or more and which
4 11 farm is in good faith used for agricultural or horticultural
4 12 purposes.

4 13 LSB 6040HH 82

4 14 sc/nh/8